

# Oak Ridge National Laboratory Reports: State Energy Program and State, Territory Energy Offices Deliver Annual Energy and Cost Savings

The State Energy Program (SEP) is the only federally funded, state-based program administered by the U.S. Department of Energy that provides resources directly to the states for allocation by them. With these funds and the resources leveraged by them, the State and Territory Energy Offices develop and manage a variety of programs geared to increase energy efficiency, reduce energy use and costs, develop alternative energy and renewable energy sources, promote environmentally conscious economic development, and reduce reliance on oil produced outside the U.S. (State Energy Offices also are involved in administering public benefits funds and emergency preparedness.) The program's ultimate goals: To help assure energy reliability, and strengthen America's competitive position and national energy security.

To measure the State Energy Program's return on investment, the Department of Energy asked the Oak Ridge National Laboratory (ORNL) to estimate the energy savings, cost savings and emission reductions that were generated by the program, based on data collected in 2001 and 2002. ORNL's report ("Estimating Energy and Cost Savings and Emission Reductions for the State Energy Program Based on Enumeration Indicators Data") represents the most in-depth metrics effort to date relative to benefits of the State Energy Program.

**"The impressive savings and emissions reductions numbers, ratios of savings to funding, and payback periods ... indicate that the State Energy Program is operating effectively and is having a substantial positive impact on the nation's energy situation."**

— Oak Ridge National Laboratory  
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## \$1 in SEP Funding Yields \$7.23 in Annual Energy Cost Savings

▲ Each \$1 of State Energy Program (SEP) funding results in annual energy savings of 1.17 million source BTUs and annual cost savings of \$7.23

▲ Each \$1 of total funding (SEP plus leveraged non-SEP funds) results in annual energy savings of 0.25 million source BTUs and annual cost savings of \$1.58, representing a payback period of seven weeks for the SEP portion and eight months for the total investment

▲ Each \$1 of SEP funding leverages \$3.54 from non-federal sources (This estimate is conservative and does not include public benefits funds. As a result, the report indicates, the actual leverage number is likely higher.)

### Total Annual Energy and Cost Savings

Annual energy savings	41,358,478 MMBTUs
Annual cost savings	\$256,422,600.00

### Total Annual Emission Reductions

Carbon	719,251.8 metric tons
VOCs	127.2 metric tons
NOx	5,739.0 metric tons
PM10	144.8 metric tons
SO <sub>2</sub>	7,655.7 metric tons
CO	968.7 metric tons

## Important Notes About the Report

The ORNL report quantifies the benefits of 14 program areas, representing about 60% of SEP funding; thus, the report understates the total benefits provided by the State Energy Program.

Among the vital activities funded by the states and SEP that are not quantified in the report are these:

- ▲ Essential energy emergency planning and preparedness functions conducted by all State and Territory Energy Offices;
- ▲ State assistance in developing balanced energy policies and programs; and
- ▲ Development of energy production activities (such as alternative fuels programs and wind energy) that reduce the demand for fossil-fuel imports by focusing on cultivation of domestic, renewable resources.

As the report states: "Had the full monetary value of all non-energy benefits been calculated, it is likely that the cost savings numbers ... would have been considerably larger."

## For More Information

For a copy of the complete ORNL report, please contact David Terry at the National Association of State Energy Officials (703/299-8800 or dterry@naseo.org) or visit [www.naseo.org](http://www.naseo.org).